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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 15, 2016

Scott Bakken
Energy Fuels Resources (USA)
225 Union Boulevard, Suite 600
Lakewood, Colorado 80228

Subject: Preliminary Review of Revised Reclamation Cost Estimate, Energy Fuels Resources (USA), La Sal/Snowball Mine, M/037/0026, San Juan County, Utah

Dear Mr. Bakken:

The Division of Oil, Gas and Mining has reviewed the referenced draft reclamation cost estimate that was received December 8, 2015. The attached comments will need to be addressed before the Division can approve the estimate.

After the cost estimate is determined complete, the Division will ask that Energy Fuels submit the additional surety required for escalation to 2020 dollars. Please submit your response to this review by February 12, 2016.

Please contact the lead for this project, Mike Bradley, at 801-538-5332, the surety engineer, Wayne Western, at 801-538-5258, or me at 801-538-5261 if you have questions about the review or if you would like to schedule a meeting to discuss the comments. Thank you for your cooperation in completing this permitting action.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB:mpb:pb

Attachment: Review

cc: Dave Pals, BLM Moab FO (dpals@blm.gov); Jerry Mansfield, SITLA (jmansfield@utah.gov); Kyle Beagley, USFS, Monticello (kbeagley@fs.fed.us)

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**PRELIMINARY REVIEW OF NOTICE OF INTENTION
TO COMMENCE LARGE MINING OPERATIONS**

**Energy Fuels Resources (USA)
La Sal/Snowball Complex**

**M/037/0026
January 14, 2016**

General Comments:

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
1	General	The Division may have additional comments based on the responses to this review. Please attempt to provide a complete, technically adequate submittal.	OGM	
2	General	This review is separate from the ongoing review of the NOI amendment submitted in 2010 that included combining this permit with the Pandora permit.	mpb	

R647-4-113 – Surety

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
3		The Division acknowledges that the Operator is revising the Notice of Intention. The Division requests that in the revised NOI the reclamation plan is subdivided into sections for Pandora, Snowball, La Sal and Beaver sections of the mine. This way the Division can cross reference the reclamation plan with the surety calculations.	whw	
4		For the D9 dozer, please use costs from Blue Book 2016: \$24,400.00 monthly rate (176 hours/month). The operating cost is \$125.20/hour. Add 10% to rental rate and operating cost for overhead and profit. Use the Means labor rate of \$74.15 which includes overhead and profit.	whw	
5		Please include cost of disposal for non-metallic debris in the buildings that will be shipped to a landfill.	whw	
6		Please include costs for pre-demolition building surveys for asbestos and universal hazardous wastes as required by NESHAPS and Utah DAQ / DEQ.	mpb	
7		Please show asbestos removal and disposal as separate line items.	whw	
8		Please list the volume of the tanks (gallons).	whw	
9		Please include 10% for mob/demob.	whw	
10		The escalation rate should be 1.3% instead of 0.5%.	whw	